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February 22, 2021

By: Paxton

6 An Act relating to industrial hemp; amending Section  
7 4, Chapter 64, O.S.L. 2018, as amended by Section 5,  
8 Chapter 91, O.S.L. 2019 and Section 7, Chapter 64,  
9 O.S.L. 2018, as amended by Section 7, Chapter 91,  
10 O.S.L. 2019 (2 O.S. Supp. 2020, Sections 3-404 and 3-  
11 407), which relate to licenses and inspection of  
industrial hemp growth; modifying language; including  
United States Department of Agriculture Farm Service  
Agency; authorizing remediation of industrial hemp  
under certain conditions; deleting language;  
providing for codification; providing an effective  
date; and declaring an emergency.

14 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

15           SECTION 1.           AMENDATORY           Section 4, Chapter 64, O.S.L.  
16   2018, as amended by Section 5, Chapter 91, O.S.L. 2019 (2 O.S. Supp.  
17   2020, Section 3-404), is amended to read as follows:

18           Section 3-404. A. A person intending to engage in industrial  
19 hemp growth, cultivation, handling or processing authorized under  
20 the Oklahoma Industrial Hemp Program shall apply to the Oklahoma  
21 Department of Agriculture, Food, and Forestry for a license prior to  
22 planting, handling or processing the industrial hemp.

23 | 1. The application shall include:

24 a. the name and address of the applicant,

- 1           b.    the legal description, global positioning system  
2                location, and map of the land area on which the  
3                applicant will engage in industrial hemp growth and  
4                cultivation operations, handling operations or  
5                processing operations, and  
6           c.    a statement of intended end use.

7           2.    By submitting an application, the applicant acknowledges and  
8 agrees that:

- 9           a.    information provided to the Department may be provided  
10               to law enforcement agencies,  
11           b.   the applicant shall allow and fully cooperate with any  
12               inspection and sampling that the Department deems  
13               necessary,  
14           c.   the applicant will submit all required reports by the  
15               applicable due dates specified by the Department, and  
16           d.   the applicant has the legal right to cultivate, handle  
17               or process industrial hemp on the registered land area  
18               and shall grant the Department access for inspection  
19               and sampling.

20           B.   The Department shall collect a nonrefundable fee from the  
21 applicant at the time of application. The Department shall set a  
22 fee schedule based on the size and use of the land area on which the  
23 licensee will conduct industrial hemp growing or cultivation  
24 operations and shall set the fee at a level sufficient to generate

1 the amount of monies necessary to cover the Department's direct  
2 costs in implementing the Oklahoma Industrial Hemp Program. Denied  
3 applications for a license may be resubmitted within a twelve-month  
4 period. The Department may waive the fee for resubmitted  
5 applications.

6 C. A license issued pursuant to this section is valid for one  
7 (1) year. In order to continue engaging in industrial hemp growth  
8 and cultivation operations in Oklahoma, the licensee shall annually  
9 apply for a license in accordance with subsection A of this section.  
10 The Department may set a separate fee schedule for renewal of  
11 existing licenses in good standing.

12 D. All industrial hemp plant material shall be planted, grown  
13 and harvested under a valid license. Any plant material that is not  
14 harvested in the license period in which it was planted or volunteer  
15 plants that are not destroyed must be declared for inclusion in a  
16 subsequent license.

17 E. If the licensee wishes to alter the land area on which the  
18 licensee will conduct industrial hemp growth, cultivation, handling  
19 or processing operations within thirty (30) days of any new license,  
20 before altering the area, the licensee shall submit to the  
21 Department and the United States Department of Agriculture Farm  
22 Service Agency an updated legal description, global positioning  
23 system location, and map specifying the proposed alterations.  
24

1 F. Each licensee shall report any changes to information  
2 provided in the license application within ten (10) days of such  
3 change to the Department and the United States Department of  
4 Agriculture Farm Service Agency.

5 G. A licensee shall maintain all records pertaining to the  
6 license and growing records for a minimum of three (3) years.

7 H. The Department shall promulgate rules necessary to implement  
8 the licensing program and to implement the Oklahoma Industrial Hemp  
9 Program.

10 I. The Department shall promulgate rules to facilitate  
11 transportation of industrial hemp.

12 SECTION 2. NEW LAW A new section of law to be codified  
13 in the Oklahoma Statutes as Section 3-406.1 of Title 2, unless there  
14 is created a duplication in numbering, reads as follows:

15 An industrial hemp processor licensee may remediate any  
16 industrial hemp legally grown pursuant to the Oklahoma Department of  
17 Agriculture, Food, and Forestry and the United States Department of  
18 Agriculture programs so long as all THC is removed and it is  
19 processed as Cannabidiol (CBD).

20 SECTION 3. AMENDATORY Section 7, Chapter 64, O.S.L.  
21 2018, as amended by Section 7, Chapter 91, O.S.L. 2019 (2 O.S. Supp.  
22 2020, Section 3-407), is amended to read as follows:

23 Section 3-407. A. Any plants of the licensee are subject to at  
24 least annual routine inspections and sampling to verify that the

1 plant meets the definition of industrial hemp. The Department shall  
2 notify each licensee of the scope of the inspection and the process  
3 by which the inspection will be conducted. The Department shall  
4 promulgate rules regarding the procedures of inspection and  
5 sampling.

6 B. The Department may inspect and take samples from any  
7 licensee's plants during normal business hours.

8 C. Licenses for handling or processing shall be subject to at  
9 least annual inspections in addition to compliance inspections.

10 D. The Department shall ~~make a good-faith attempt to~~ have the  
11 licensee present at the time of inspection and sampling. The  
12 licensee or authorized representative shall provide the Department's  
13 inspector with complete and unrestricted access to all plants, parts  
14 and seeds, whether growing or harvested, and all land, buildings and  
15 other structures used for the growth, cultivation, harvesting,  
16 storage, handling or processing of industrial hemp, and all  
17 documents and records pertaining to the licensee's industrial hemp-  
18 growing, cultivation operation, handling and processing.

19 E. The licensee shall pay for any inspection and laboratory  
20 analysis costs that the Department deems necessary within thirty  
21 (30) days of the date of the receipt of an invoice for the costs.  
22 The Department shall waive all inspection or sampling costs if no  
23 inconsistencies or violations are identified during an inspection  
24 that is not part of the regular annual inspection process.

1 F. The Department shall promulgate rules to establish a process  
2 by which a licensee may contest the procedures, protocols and  
3 results or findings of the inspection.

4 SECTION 4. This act shall become effective July 1, 2021.

5 SECTION 5. It being immediately necessary for the preservation  
6 of the public peace, health or safety, an emergency is hereby  
7 declared to exist, by reason whereof this act shall take effect and  
8 be in full force from and after its passage and approval.

9 COMMITTEE REPORT BY: COMMITTEE ON AGRICULTURE AND WILDLIFE  
10 February 22, 2021 - DO PASS  
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